

Staff Summary Report



Council Meeting Date: June 5, 2008

Agenda Item Number: _____

SUBJECT: Request authorization for the Mayor to sign Amendment No. 2 to extend the lease agreement for the Transit Store at 502 S. College.

DOCUMENT NAME: 20080605dj01 **FIFTH AND COLLEGE LLC – 502 S. COLLEGE (0903-52)**

SUPPORTING DOCS: YES

COMMENTS: The Transit Store provides bus fare media and bus information.

PREPARED BY: Dana Janofsky, Management Assistant, 858-2269

REVIEWED BY: Carlos de Leon, Deputy Public Works Manager, 350-8527

LEGAL REVIEW BY: Cynthia McCoy, Assistant City Attorney, 858-2187

FISCAL NOTE: Funding for the lease is budgeted in Transportation Cost Center 3915

RECOMMENDATION: Approval of Amendment No. 2.

ADDITIONAL INFO: The Transit Store at 502 S College will be relocating to the Transportation Center upon completion of the building in the third quarter of 2008. The current lease expires June 30, 2008. Amendment No. 2 extends the lease agreement from July 1, 2008 through January 1, 2009. The amendment includes a month to month lease which can be terminated by the City until January 1, 2009 or by the property owner after that date. In addition, the rent is increased from \$2000 a month to \$2500 effective July 1, 2008.

AMENDMENT NO. 2

LEASE Between THE CITY OF TEMPE and FIFTH COLLEGE, LLC

RECITALS:

A. The City of Tempe, Transit Office ("Tenant"), and Fifth College, L.L.C. ("Landlord"), are parties to that certain Lease dated January 20, 2005 ("Lease"), pursuant to which Tenant leased from Landlord certain retail space as described in the Lease (the "Premises").

B. Landlord and Tenant entered into Amendment No. 1 to the Lease ("Amendment No. 1"), on February 15, 2007 pursuant to which the Lease was amended in certain respects.

C. Landlord and Tenant now desire to enter into this Amendment No. 2 to Lease (this "Amendment No. 2"), pursuant to which the Lease will be amended in certain respects, as set forth below.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Capitalized terms used herein without definition shall have the meanings given such terms in the Lease.
2. The term of the Lease shall be extended for each month that Tenant exercises the monthly extension option granted in the next sentence. So long as Tenant is not then in default under the Lease, Tenant shall have the right either (a) to extend the term of this lease on a month-to-month basis beyond June 30, 2008 or (b) to terminate this lease, in either case by giving Landlord not less than 30 days prior written notice. Notwithstanding the foregoing, Landlord agrees that notice of extension for the month of July, 2008 will be effective so long as it is given prior to June 6, 2008.
3. The Base Monthly Rental is hereby increased from \$2,000.00 to \$2,500.00, effective July 1, 2008.
4. This Amendment No. 2 may be executed in any number of counterparts, each of which will be an original, but all of which will constitute one and the same instrument. In addition, this Amendment No. 2 may be executed and delivered by facsimile and each facsimile copy will be treated as an original.
5. Except as specifically amended herein, all other terms and conditions of this Lease remain unchanged and in full force and effect.

Agreed to as of this _____ day of _____, 2008

CITY OF TEMPE
an Arizona municipal corporation

FIFTH COLLEGE, L.L.C.,
an Arizona limited liability company

By: _____
Hugh L. Hallman, Mayor

By: _____
Grady Gammage, Jr.
Managing Member

Date: _____

Date: _____

ATTEST:

City Clerk

Approved as to form:

City Attorney